
November 15–16, 2005

Assessment of payment adequacy: Home health care services

ISSUE: Each year MedPAC assesses the adequacy of current payments and develops an update recommendation for several of Medicare's fee-for-service sectors. Are current payments for home health services adequate? How should payments change in 2007?

KEY POINTS: In this paper we begin our application of the Commission's payment adequacy framework to the question of the update for home health services in 2007. For this month, we will discuss the background on the sector and some information on the appropriateness of current costs. We will present preliminary information based on the most recent data available for several indicators for home health agencies:

- Beneficiaries' access to care,
- Changes in the quality of care, and
- Changes in the supply of agencies.

ACTION: Commissioners should review the findings in preparation for decision making at subsequent meetings. Additional information on the factors affecting the adequacy of payments will be presented at the December meeting. The Commission's recommendation about updating payments for home health services will be included in the March 2006 report.

STAFF CONTACT: Sharon Bee Cheng (202-220-3712)